

Message Text

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PAGE 01 MEXICO 07105 282352Z
ACTION ARA-14

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EO 11652: N/A
TAGS: PINT, MX
SUBJECT: ARREST OF DIRECTOR OF INMECAFE FOR FRAUD

1. FAUSTO CANTU PENA, DIRECTOR GENERAL OF THE MEXICAN COFFEE INSTITUTE (INMECAFE), WAS ARRESTED ON APRIL 26 WITH FOUR OF HIS ASSISTANTS AND TWO EXPORTERS FOR FISCAL FRAUD INVOLVING COFFEE EXPORTS. ARRESTED WITH HIM FROM INMECAFE WERE DANIEL MORALES ALANIS, ASSOCIATE DIRECTOR OF COMMERCE; HILARIO HERNANDEZ GALINDO, ASST. DIR. OF COMMERCE; MANUEL ALVERDI CARMONA, FORMER SALES MANAGER FOR INMECAFE SUBSIDIARIES; AND IRVING JOEL LLAMOSAS, ASSOC. ADVISER OF COMMERCE.

2. THE ABOVE OFFICIALS WERE CHARGED WITH KEEPING TWO SETS OF BOOKS IN COLLABORATION WITH EXPORTERS TO DEFRAUD THE GOVERNMENT OF OVER \$10 MILLION IN TAXES ON COFFEE SALES. CANTU PENA IS CHARGED WITH FALSIFYING THE SALE OF 45,500 BAGS OF COFFEE. THE CHARGES RESULT FROM AN AUDIT CONDUCTED BY OSCAR REYES RETANA, DIRECTOR GENERAL OF AUDITS, SECRETARIAT OF TREASURY, WHO HIMSELF WAS
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PAGE 02 MEXICO 07105 282352Z

UNDER SUSPICION FOR BEING INVOLVED IN COFFEE SMUGGLING, ACCORDING TO ONE EMBASSY SOURCE. AS EMPHASIZED BY BOTH REYES RETANA AND ATTORNEY GENERAL FLORES, CANTU PENA IS THE FIRST HIGH LEVEL OFFICIAL CHARGED FOR FRAUDULENT ACTS COMMITTED UNDER THE LOPEZ PORTILLO ADMINISTRATION, EVEN THOUGH HE WAS APPOINTED BY ECHEVERRIA. AN INDICTMENT IS EXPECTED ON 28 APRIL ACCORDING TO THE

ATTORNEY GENERAL.

3. COMMENT: WHILE THIS LATEST ARREST WILL BY NO MEANS END CORRUPTION IN THE MEXICAN GOVERNMENT, IT IS THE FOURTH MAJOR CORRUPTION CHARGE TO COME TO WIDE PUBLIC ATTENTION. (THE OTHERS INVOLVED RIOS CAMARENA, BARRA GARCIA, AND MENDEZ DOCURRO.) IT APPEARS TO BE PART OF A CONCERTED CAMPAIGN TO SENSITIZE GOVERNMENT OFFICIALS TO THE FACT THAT CORRUPTION CHARGES CAN BE BROUGHT AGAINST ALMOST ANYONE WHO IS JUDGED CULPABLE AT VIRTUALLY ANY TIME. THE PURPOSE OF THE SCATTERED CHARGES AND THE INTENSE PUBLICITY IS TO MAKE OFFICIALS SEE THE NEED TO BE DISCREET AND NOT OVERLY VENAL, EVEN IF ABSOLUTE HONESTY ON THE PART OF PUBLIC OFFICIALS IS A LONG WAYS AWAY. END COMMENT.

4. SOME POLITICAL PUNDITS THOUGHT THAT CANTU PENA WOULD BE A SERIOUS CONTENDER FOR THE GOVERNORSHIP OF NUEVO LEON IN 1979, A POSITION WHICH SOME PRESS SOURCES CONTINUE TO REPORT MAY HAVE THE EYE OF FOREIGN SECRETARY ROEL. OUR JUDGMENT CONTINUES TO BE THAT FOREIGN SECRETARY ROEL LIKES HIS JOB AND IS NOT THINKING OF ANY CHANGE IN THE SHORT RUN.

5. MANUEL AGUILERA GOMEZ WAS NAMED BY THE SECRETARY OF AGRICULTURE TO REPLACE CANTU PENA AS DIRECTOR GENERAL OF LIMITED OFFICIAL USE

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PAGE 03 MEXICO 07105 282352Z

THE MEXICAN COFFEE INSTITUTE. HE HAD BEEN SERVING AS GENERAL COORDINATOR OF THE NATIONAL COMMISSION FOR THE DEVELOPMENT OF THE FRONTIER AND DUTY FREE ZONES SINCE AUGUST 8, 1977. PRIOR TO THAT ASSIGNMENT HE WAS DIRECTOR GENERAL OF THE MEXICAN TOBACCO INC. LUCEY

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